

HOUSE BILL REPORT

HB 1581

As Reported by House Committee On:
Judiciary

Title: An act relating to minimum terms for closure or conversion notices for mobile home parks and manufactured housing communities.

Brief Description: Requiring a minimum of three years' notice on closures or conversions of mobile home parks and manufactured housing communities.

Sponsors: Representatives Liias, Priest, Nelson, Miloscia, Rolfes, Ormsby, Morrell, Green, Simpson, Appleton and Kenney.

Brief History:

Committee Activity:

Judiciary: 2/16/09, 2/19/09 [DPS].

Brief Summary of Substitute Bill

- Requires landlords of manufactured/mobile home communities to give tenants two years notice of closure or conversion of a manufactured/mobile home community.

HOUSE COMMITTEE ON JUDICIARY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Pedersen, Chair; Goodman, Vice Chair; Rodne, Ranking Minority Member; Kirby, Ormsby and Roberts.

Minority Report: Do not pass. Signed by 5 members: Representatives Shea, Assistant Ranking Minority Member; Flannigan, Kelley, Ross and Warnick.

Staff: Courtney Barnes (786-7194)

Background:

Manufactured/mobile home communities are governed by the Manufactured/Mobile Home Landlord-Tenant Act (MHLTA). The MHLTA outlines the rights and responsibilities of

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manufactured/mobile home landlords and tenants, including the duty of landlords to notify tenants in advance of a manufactured/mobile community closure or conversion.

Manufactured/Mobile Home Lot Rental Agreement Disclosures and Covenants.

Rental agreements for manufactured/mobile home space tenancies are required to include either: (1) a covenant by the landlord that, except for acts or events beyond the control of the landlord, for a period of three years after the beginning of the term of the lease, the manufactured/mobile home community will not be converted to a land use that will prevent the space from continuing to be used for the placement of a manufactured/mobile home; or (2) a statement that the manufactured/mobile home community may be sold or transferred at any time with the result that subsequent owners may close the community at any time after the required notice.

Notice of Manufactured/Mobile Home Community Closures.

Landlords must give tenants 12 months notice of a change of land use of the manufactured/mobile home community, including conversion to a use other than for manufactured/mobile homes or conversion to a cooperative or subdivision. A copy of the closure notice must be provided with all month-to-month rental agreements signed after the community closure notice has been given. The closure notice must also be provided to the Department of Community, Trade and Economic Development.

Summary of Substitute Bill:

Manufactured/Mobile Home Lot Rental Agreement Disclosures and Covenants.

Rental agreements for manufactured/mobile home space tenancies are required to either: (1) include a covenant by the landlord that, except for acts or events beyond the control of the landlord, for a period of three years after the beginning of the term of the lease, the manufactured/mobile home community will not be converted to a land use that will prevent the space from continuing to be used for the placement of a manufactured/mobile home; or (2) a statement that the manufactured/mobile home community may be sold or transferred at any time with the result that subsequent owners may close the community any time after the required two-year closure notice is given.

If a closure notice is in effect, the landlord must provide the tenants with a copy of the closure notice in the rental agreement.

Notice of Manufactured/Mobile Home Community Closures.

Landlords must give tenants two years notice of a change of land use of the manufactured/mobile home community, including conversion to a use other than for manufactured/mobile homes or conversion to a cooperative or subdivision. The notice requirement does not apply if:

- the manufactured/mobile home community is being acquired under imminent threat of condemnation;
- the manufactured/mobile home community is sold to a tenant group, nonprofit organization, local government, or housing authority for the purpose of preserving the community; or
- the landlord compensates the tenants for the loss of their homes at their assessed value prior to a change of land use or sale of the property.

A copy of the closure notice must be provided with all rental agreements signed after the community closure notice has been given. The closure notice must also be provided to the Department of Community, Trade and Economic Development. The closure notice must include community management contact information, a statement that the community owner is willing to sell the community to a tenant organization (if applicable), and information about available relocation assistance.

Sale of Manufactured/Mobile Homes by Existing Tenants.

A tenant who sells a home within a manufactured/mobile home community must provide the buyer with a copy of any closure notice that has been provided by the landlord at least seven days in advance of the intended sale and transfer.

Substitute Bill Compared to Original Bill:

The substitute bill changes the closure notice requirement that landlords must provide to tenants of manufactured/mobile home communities to two years. The original bill provided a three-year closure notice. The substitute bill removes the emergency clause and modifies terms to provide consistency.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The proposed substitute bill provides two years notice to manufactured/mobile home owners whose manufactured/mobile home community is closing. Manufactured/mobile homes represent one of few forms of affordable housing for many people. The two-year notice requirement is reasonable and gives homeowners adequate time to apply for relocation assistance and move their manufactured/mobile home. Increasing the notice requirement from 12 months to two years gives homeowners time to negotiate an offer of purchase with the community owner. The emergency clause contained in the bill gives the law immediate effect to protect manufactured/mobile home owners.

(Opposed) The bill is designed to stop closures of manufactured/mobile home communities. Community owners are under pressure to sell these communities because of the need to redevelop the land. If the bill passes, community owners will operate their businesses at a loss. The bill will drive premature closures and decrease the incentive for potential owners to invest in new manufactured/mobile home communities. The existing 12-month notice requirement is adequate.

Persons Testifying: (In support) Representative Liias, prime sponsor; Ishbel Dickens, Columbia Legal Services; Frank Cheeney, Association of Manufactured Home Owners; and Don Carlson, Colonial Estates Manufactured Homes.

(Opposed) John Woodring and Ken Spencer, Manufactured Housing Communities of Washington; Bob Mitchell, Washington Realtors; and Peter Ratener.

Persons Signed In To Testify But Not Testifying: None.